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**From:** Jeanette Musacchio [jeanette.musacchio@mcggroup.com]  
**Sent:** 10/11/2017 1:14:09 AM  
**To:** Simon Davies [sdavies@worldventures.com]  
**CC:** Tom Montgomery [tom.montgomery@mcggroup.com]; Rene Balli [rene.balli@mcggroup.com]; Erica Rogers [erica.rogers@mcggroup.com]; Brian Wing [bwing@wvholdings.com]; Josh Paine [jpaine@rovia.com]; Wayne Nugent [wayne@worldventures.com]  
**Subject:** Fwd: WV Billings  
**Flag:** Follow up

FYI

Jeanette Musacchio  
Montgomery Coscia Greilich LLP  
2500 Dallas Parkway, Suite 300  
Plano, Texas 75150  
972-748-0204 Direct  
[REDACTED]

Begin forwarded message:

**From:** Erica Rogers <[erica.rogers@mcggroup.com](mailto:erica.rogers@mcggroup.com)>  
**Date:** October 10, 2017 at 2:19:29 PM CDT  
**To:** Rene Balli <[rene.balli@mcggroup.com](mailto:rene.balli@mcggroup.com)>, Jeanette Musacchio <[jeanette.musacchio@mcggroup.com](mailto:jeanette.musacchio@mcggroup.com)>  
**Cc:** Dianna Blackshear <[dianna.blackshear@mcggroup.com](mailto:dianna.blackshear@mcggroup.com)>  
**Subject:** RE: WV Billings

See below from me. Our fees were up this year. That is because we received financials I believe 8 days before deadline last year. You can only do so much in 8 days-and we invoiced hourly-hence it being smaller. Obviously some time this year was spent redoing both previous two years work due to combination of correction to financials themselves and any adjustments/clean up work due to more turn around time available.

**Erica Rogers**

Tax Partner

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2500 Dallas Parkway, Suite 300, Plano, Texas 75093  
Direct: 972-748-0324 | Cell: [REDACTED] [erica.rogers@mcggroup.com](mailto:erica.rogers@mcggroup.com)

**Dianna Blackshear**

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**From:** Rene Balli  
**Sent:** Tuesday, October 10, 2017 1:13 PM  
**To:** Jeanette Musacchio <[jeanette.musacchio@mcggroup.com](mailto:jeanette.musacchio@mcggroup.com)>; Erica Rogers <[erica.rogers@mcggroup.com](mailto:erica.rogers@mcggroup.com)>  
**Cc:** Dianna Blackshear <[dianna.blackshear@mcggroup.com](mailto:dianna.blackshear@mcggroup.com)>  
**Subject:** RE: WV Billings

See responses below. Thanks.

AS you can see our fees were down this year. I think that was due to Simon.

**Rene Balli**

Audit Partner

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**Elyssa Kha**

Executive Assistant

Direct: 972-748-0463

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**From:** Jeanette Musacchio

**Sent:** Tuesday, October 10, 2017 11:55 AM

**To:** Erica Rogers <[erica.rogers@mcggroup.com](mailto:erica.rogers@mcggroup.com)>; Rene Balli <[rene.balli@mcggroup.com](mailto:rene.balli@mcggroup.com)>

**Cc:** Dianna Blackshear <[dianna.blackshear@mcggroup.com](mailto:dianna.blackshear@mcggroup.com)>

**Subject:** WV Billings

Questions from some of the execs on our billing so I'd like to send the following to Wayne:

Tax:

Engagement letter? Fees?

*[Erica Rogers] We invoice 80% of standard rates as our fee.*

Total WIP, Total Billed – past 2 years *[Erica Rogers]* (includes consulting, states, notice responses, amendments, foreign restructure work with Bibb, etc)

Date	Hours	WIP	Invoiced	Realization
12/31/2017				
Invoices	858.00	210,385.80	168,238.64	80.0%
12/31/2016				
Invoices	517.00	129,421.28	103,537.02	80.0%

If clean financials were sent in a timely manner, what would our fees be?

*[Erica Rogers] The FEDERAL return inclusive of 5471s and the like as currently stands would be \$115K for 2016 due to the large volume of Form 5471s, which is pretty close to what we actually invoiced this year for that specifically. It would go down to \$100K in 2017 assuming no additional foreign entities due to restructuring changes implemented to date. Additional time was for consulting, notices, foreign restructure, etc. I would not envision fees going down much overall, just a transition from fire drill and clean up (that result in other issues, like penalties for Wayne) to a shift into more proactive planning, etc. IE – they'd have a better quality, more timely product.*

*There would be ongoing fees for the foreign restructuring that K. Bibb and Alyssa have been working with Miniki on. The current structure is very tax inefficient and Miniki, Bibb and Alyssa are working to get that corrected. Legal has historically set entities up without consulting on tax implications and therefore that needs to be unwound.*

Audit:

Engagement letter? Fees?

*Yes/ 80% of Standard Rates is our fee.*

Total WIP, Total Billed – past 2 years

Audit Year	Hours	Total Gross WIP	Total Professional Fees Invoiced	Realization
12/31/17	2,181	\$ 330,516	\$ 266,271	80.56%
12/31/06	3,281	\$ 581,718	\$ 462,784	79.55%
12/31/15	3,296	\$ 580,585	\$ 461,895	79.56%

If clean financials and minimal audit AJE's, what would our fees be?

Very difficult to say, as there are just so many inefficiencies, but my best guess is this is at least a 1,500 Hour Job. That equates to approximately \$185,000.

Thanks,

**Jeanette Musacchio**

Consulting Services Partner

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